United Nations S/AC.37/2002/36

Security Council

Distr.: General
16 April 2002

Original: English

Security Council Committee established pursuant to resolution 1267 (1999)

Note verbale dated 16 April 2002 from the Permanent Mission of Hungary to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of Hungary to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1267 (1999) and, pursuant to paragraph 6 of Security Council resolution 1390 (2002) of 16 January 2002, has the honour to forward the national report of the Republic of Hungary on the implementation and enforcement of mandatory measures contained in the latter resolution (see annex).

02-35141 (E) 020502

Annex to the note verbale dated 16 April 2002 from the Permanent Mission of Hungary to the United Nations addressed to the Chairman of the Committee

Report of the Republic of Hungary pursuant to paragraph 6 of Security Council resolution 1390 (2002) of 16 January 2002 to the Security Council Committee established pursuant to resolution 1267 (1999)

The Republic of Hungary is fully committed to the implementation of Security Council Resolution 1390 (2002). To this end, Hungary has taken wide-ranging legislative, executive and administrative actions. Those of particular relevance for the implementation of Security Council Resolution 1390 (2002) are listed below:

- the National Assembly of the Republic of Hungary adopted Act LXXXIII. of 2001 on Combating Terrorism, on Tightening up the Provisions on Impediment of Money Laundering and on the Ordering of Restrictive Measures.

- the Government of Hungary adopted Government Decree 299/2001 on the Implementation of Act XXIV. of 1994 on Prevention and Impeding of Money Laundering.

- the Government of Hungary adopted Government Decree 56/2002 (March 29) on the Ordering of Certain Restrictive Measures based on International Obligations to Combat Terrorism and

- Government Resolution 2086/2002 (March 29) on Security Council Resolution 1390 (2002) regarding Tasks related to the Implementation of Security Council Resolution 1390 (2002). Introducing Restrictive Measures against Terrorist Organizations and the Implementation of the Common Position of the Council of the European Union on Combating Terrorism

I. Legislative and executive actions taken in order to freeze the funds and other financial assets or economic resources of the individuals, groups, undertakings and entities referred to in the list mentioned in paragraph 2 of Resolution 1390 (2002)

1. By amending a whole range of existing laws, a number of which are relevant to the Committee's mandate, Act LXXXIII of 2001 has served in many respects as a basis for Government action related to Security Council Resolution 1390 (2002).

In particular, Act LXXXIII of 2001 in Section I, paragraph 3 introduced, inter alia, the following restricting measures, facilitating government action in freezing terrorists assets:

3. b) prohibition on the undertaking by residents of financial commitments, and suspension of the performance of the financial obligation assumed;

c) prohibition on investments by non-residents in Hungary and by residents abroad;

e) restriction on the right of non-residents to dispose of funds and securities they hold with domestic credit institutions or investment service providers, and refusal to execute transfer orders of non-residents.

as well as the same measures applicable to

ea) their branches and representation offices in Hungary;

eb) resident economic organisations under their direct control, as defined in paragraph (2) of Article 23 of Act LVII of 1996 on the prohibition of unfair and restrictive market practices;

ec) their foundations registered in Hungary;

ed) funds and securities of which they are beneficial owners but which are registered in the name of a resident.

2. Government Decree 56/2002 provides for the application of restrictive measures contained in Act LXXXIII Section 1, paragraph 3 (b), (c) and (e) in order to freeze the financial claims and other financial assets or economic resources of the individuals, groups, undertakings and entities referred to in the list in paragraph 2 of Resolution 1390 (2002) including funds derived from property owned or controlled, directly or indirectly, by them or by persons acting on their behalf.

More specifically, restrictive measures to be applied in connection with para. 3 (b) and (e) are as follows:

- all financial assets (bank accounts, security accounts, clients accounts) owned, even if registered in the name of a resident, by individuals, groups, undertakings and entities covered by the Decree, should be blocked (frozen).

- no payment or transfer can be executed from blocked financial assets or accounts.

- financial obligations in relation with individuals, groups, undertakings and entities covered by the Decree, including themselves or the persons acting on their behalf, may only be performed by payment to a blocked account, opened with the credit institution or investment service provider. Once the payment is made to the blocked account the obligation shall be considered performed.

- even in cases not covered in para. 3 (b), (c) and (e) resident financial institutions and investment service providers are not allowed to transfer or release financial assets to individuals, groups, undertakings and entities covered by the Decree.

Specific restrictive measures in connection with para. 3 (c):

no economic organisation, branch, commercial representation office may be established with the participation of individuals, groups, undertakings and entities covered by the Decree. Such foundations cannot be registered in the trade registry.

- in case individuals. groups. undertakings and entities covered by the Decree are shareholders in resident economic organisations. they are prohibited to exercise their ownership rights.

- in case individuals. groups. undertakings and entities covered by the Decree are beneficial owners or owners but registered in the name of a resident of securities. their right of disposal over those securities is suspended.

3. Concerning other relevant measures. reference is made to the Hungarian national report (S 2002 32) submitted to the Counter Terrorism Committe (CTC) pursuant to Security Council Resolution 1373. namely to the information provided under operative paragraph 1. subparagraphs (a) and (c). respectively.

II. Measures taken to prevent the entry into or transit through Hungary of the individuals as referred to in the list mentioned in paragraph 2 of resolution 1390 (2002)

1. Reference is made to the Hungarian national report submitted to the CTC. In particular „B" (Border Protection) under the heading „Measures taken to combat terrorism" as well as information provided under operative paragraph 1. sub-paragraphs (c). (d). (g) and operative paragraph 3. subparagraphs (f) and (g) of Security Council Resolution 1373 are of relevance. These sections of the report describe in details all relevant measures taken before the adoption of Security Council Resolution 1390 (2002).

2. Government Resolution 2086/2002 on Security Council Resolution 1390 regarding Tasks related to the Implementation of Security Council Resolution 1390. Introducing Restrictive Measures against Terrorist Organizations and to the Implementation of the Common Position of the Council of the European Union on Combating Terrorism provides for the prevention of the entry into or the transit through Hungary of individuals as referred to in the list mentioned in paragraph 2 of Resolution 1390 (2002).

3. In the context of the common position of the Council of the European Union on combating terrorism (2001/930/CFSP). Government Resolution 2086/2002 provides for efficient cooperation with states. party to the common position. in the framework of existing bilateral intergovernmental agreements in order to meet the obligations assumed in the common position on combating terrorism. especially in the prevention of movement of terrorist persons or networks. the detection of false or forged travel documents. the control of traffic in arms and explosives. the detection and seizure of communication technologies used by terrorist groups and weapons of mass destruction in their possession as well as in the field of granting refugee status.

III. Measures taken to prevent the direct or indirect supply, sale and transfer to individuals, groups, undertakings and entities referred to in the list mentioned in paragraph 2 of Resolution 1390 (2002) from the territory of Hungary or by Hungarian nationals outside Hungary, or using Hungarian flag vessels or aircraft, of arms and related material of all types including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for the afore-mentioned and technical advice, assistance, or training related to military activities

1. Reference is made to the Hungarian national report submitted to the CTC. In particular, information provided under operative paragraph 1, sub-paragraph (a) of Security Council Resolution 1373 is of relevance.

2. Government Resolution 2086/2002 regarding Tasks related to the Implementation of Security Council Resolution 1390, Introducing Restrictive Measures against Terrorist Organizations and to the Implementation of the Common Position of the Council of the European Union on Combating Terrorism provides for the prevention of the direct or indirect supply, sale and transfer to individuals, groups, undertakings and entities referred to in the list mentioned in paragraph 2 of Resolution 1390 (2002) from the territory of Hungary or by Hungarian nationals outside Hungary, or using Hungarian flag vessels or aircraft, of arms and related material of all types including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for the afore-mentioned and technical advice, assistance, or training related to military activities.

3. In the context of the Common Position of the Council of the European Union on combating terrorism (2001/930/CFSP), Government Resolution 2086/2002 provides for the elaboration of amendments to existing Penal Code provisions in accordance with relevant regulations of the European Union, in order to act more efficiently against individuals and entities involved in the commission of terrorist acts, the supply of weapons to terrorists, the recruitment of terrorist groups or otherwise.